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Introduced by Mr. Kastenmeier

TRADEMARK REFORM ACT OF 1983

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 17, 1982

● Mr. KASTENMEIER. Mr. Speaker, today I am introducing a bill to modify two aspects of trademark law: One substantive and the other procedural. First, the bill clearly defines the appropriate test for courts to apply in determining whether a mark has become generic. Second, the bill provides for exclusive appellate jurisdiction over trademark cases in the U.S. Court of Appeals for the Federal Circuit.

Earlier this year an unusual development in trademark law occurred and was duly brought to my attention. A three-judge panel of the Ninth Circuit Court of Appeals decided to apply a new method for determining whether a product had become generic.[1] Under the ninth circuit test, courts are encouraged to look toward the purchaser's motivation, not just as to identity of the product, but also as to source. Thus, for a trademark to avoid becoming generic its user must convince a majority of the relevant public that a particular company produces the product. Thus, because such a test would be so difficult to meet, a number of well-known products such as TIDE, Crest, Mr. Clean, or Brillo could become generic.

Because the test used by the ninth circuit may cause extreme uncertainty in trademark law and practice, and because it represents such a substantial departure from prior law, this bill clarifies the test for determining genericism. Under the bill, "the exclusive test for determining whether a registered trademark has become a common descriptive name shall be whether a majority of the * * * public understands it to function as a mark or as a common descriptive name.

The second part of the bill consolidates trademark jurisdiction in the Court of Appeals for the Federal Circuit. When the Federal Court Improvement Act—enacted as Public Law 97-164—was under consideration by the Congress, this assignment of jurisdiction was part of the original bill. However, the bill that eventually passed did not include this modification.

The change in Federal court jurisdiction found in title II of the bill is, in part, a response to the kind of situation typified by the aforementioned ninth circuit case. Trademark law is by tradition and business practice national in scope. It is similar to customs and patents law. As a result, uniformity in trademark law appears desirable. One of the motivations for modifying the ninth circuit rule on genericism is to avoid the potential for conflicting circuit court rules. Situations like the ninth circuit decision will be far less frequent if title II of the bill is enacted, because there would be only one appellate court—with national jurisdiction—to decide trademark cases. Under current law the potential for conflict is substantial.

The U.S. Supreme Court—because of other docket pressure—rarely grants certiorari in trademark cases. Thus, for all but the rare trademark case, an appellate court decision is the final word. Title II of the bill would merely consolidate this jurisdiction in one court with nationwide jurisdiction.

I recognize that Congress should exercise great care in reaching results contrary to court decisions. In this case, however, the bill does not affect the parties to the litigation in question. All the bill does is to clarify congressional intent on what tests should be used to determine genericism.

I also recognize that the proposal to modify the court jurisdiction of trademark cases will be controversial among some trademark attorneys. Nonetheless, I would like these lawyers to know that without this jurisdictional change, my subcommittee runs the risk of becoming a quasi-appellate forum for litigation losses incurred in the Federal judical system or for unacceptable developments in trademark law such as arguably occurred in the ninth circuit. This is a risk that I would rather not face. It is my hope that we can work together to fashion an approach which will create greater certainty, efficiency, and uniformity in trademark law at the appellate court level.

Persons and organizations interested in commenting on this bill are urged to contact the Committee on the Judiciary, Subcommittee on Courts, Civil Liberties, and the Administration of Justice, 2137-B Rayburn House Office Building, Washington, D.C. 20515 (phone 225-3926).●

[1] *Anti-Monopoly v. General Mills Fun Group, Inc.*, 684 F.2d 1318 (9th Cir. 1982), *cert. denied* — U.S. — (February 22, 1983).